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RUEHSO/AMCONSUL SAO PAULO 5169  
RUEHRG/AMCONSUL RECIFE 3441  
RHEHNSC/NSC WASHDC

UNCLAS RIO DE JANEIRO 000180

SIPDIS

E.O. 12958: N/A

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SUBJECT: Petrobras Workers To Launch 5-Day Strike in Campos Basin,  
Nationwide Strike Under Consideration

[¶1.](#) Summary. Workers for Brazil's oil giant Petrobras will begin a five-day strike in the Campos Basin on July 14. The employees are demanding additional compensation for travel days used to depart oil platforms after 14-day shifts. Separately, the oil workers union is considering a further nation-wide strike if their demands for a higher share of company profits are not met. Negotiations between Petrobras and union representatives are ongoing. The last significant nationwide strike of Petrobras workers in 2001 saw production seriously curtailed before an agreement was reached. End Summary.

[¶2.](#) On July 14, about 4,500 Brazilian oil workers will begin a five-day strike against Petrobras facilities in the prime oil-producing area of the Campos Basin. The strike is part of a long-standing effort by workers to get full pay for the travel day on which they return to the mainland after completing a 14-day shift on platforms. All forty-two of Petrobras' offshore rigs in the Campos Basin, the source of nearly 80 percent of Brazil's current oil production, will be affected by the strike. (Note: Several international oil companies are partnered with Petrobras in the Campos Basin, including U.S. firms Chevron, Anadarko and El Paso.) "There will be minimal production if Petrobras accepts that the production is controlled by the workers but if the company tries to use its own teams, we will disconnect the equipment," union spokesman Marcos Brida said to press.

[¶3.](#) The Campos Basin strike is not expected to significantly hurt output since Petrobras has sufficient stocks built up to keep up refinery production during the strike. More serious, however, is a possible five-day nationwide strike against Petrobras being considered by workers. The United Oil Workers' Federation (FUP) umbrella union will meet on July 15 to discuss the possibility of a five-day nationwide strike at all Petrobras facilities, including refineries and terminals, to demand a bigger share of company profits for workers. After a 24-hour warning strike on July 1, Petrobras labeled the union labor protest a hasty measure and called for talks to look for a solution.

[¶4.](#) According to FUP, workers are seeking at least 18 percent of what is paid to shareholders, citing that Petrobras' profits and market capitalization have been rising over the past few years, helped by record world oil prices and new production. In 2007, Petrobras paid USD 527 million in profit sharing to employees. But Petrobras argues that its costs, including labor, have also jumped due to the high cost of oil equipment and services prices. Its latest proposal, offering a maximum of 12.8 percent, was rejected by FUP on July 9.

[¶5.](#) The last significant nationwide strike of Petrobras workers in 2001 saw production seriously curtailed before an agreement was reached. The five-day strike of seriously reduced output and forced Brazil to import additional oil. Petrobras is hoping to avoid a similar occurrence; negotiations will continue next week during the Campos Basin strike.

[¶6.](#) This message was cleared/coordinated with Embassy Brasilia.

